



FEDERAL ELECTION COMMISSION  
Washington, DC 20463

**MEMORANDUM**

**TO: The Commission**

**FROM: Commission Secretary's Office**

**DATE: August 24, 2015**

**SUBJECT: Comments on Draft AO 2015-03  
(Democracy Rules, Inc.)**

A handwritten signature in black ink, appearing to be "Sai".

**Attached are timely submitted comments received from Sai on behalf of Make Your Laws PAC, Inc. and Make Your Laws Advocacy, Inc. This matter is on the September 17, 2015 Open Meeting Agenda.**

**Attachment**

SECRETARIAT  
2015 AUG 24 A 8: 29

Make Your Laws PAC, Inc. (MYL PAC)  
FEC ID # C00529743  
Make Your Laws Advocacy, Inc. (MYL C4)  
% Nick Staddon, Secretary  
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Federal Election Commission  
Office of General Counsel  
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Washington, DC 20463  
[ao@fec.gov](mailto:ao@fec.gov)

Re: AO 2015-03 Democracy Rules, August 14 supplement

August 22, 2015

Dear Commissioners:

Please accept this comment regarding the August 14 supplement to AOR 2015-03 on behalf of Make Your Laws PAC, Inc. (MYL PAC) and Make Your Laws Advocacy, Inc. (MYL C4), in opposition to AOR 2015-03 in its current form.

As the Commission strained to point out during two colloquies with DR, Commissioners are not permitted to ask requesters to do anything. Commissioners — and more freely, OGC staff — can and should informally suggest issues that a requester may wish to address or clarify, prior AOs or MURs to look at, etc. However, they cannot give *advice*, nor directly help craft a request.

Unfortunately, Mr. Cashman appears to have misinterpreted the Commission's attempts to help as instructions on how to proceed or for what does or does not need to be addressed.

I have tried to discuss this request with Mr. Cashman directly, to suggest ways that it could be crafted to obtain unanimous approval from the Commission, but have not been successful. We must therefore oppose the request, for the reasons we have already given.

In our previous comments, we pointed out several serious issues with DR's proposal, particularly regarding legal structure as a 501(c)(4) vs as a PAC. We must also note that DR's proposal would violate the regulation we have proposed in REG 2015-03.

DR has not substantively addressed these issues with its supplements. In personal

communication, Ray Cashman told me that the Commission has not "asked" him to form a PAC, and that he is not familiar with the regulations regarding SSFs.

Unfortunately, he will need to learn them if he wishes to pursue this idea. As we discussed in our previous comments, this activity is not appropriate for a 501(c)(4), but could be done without significant problems by using an SSF or a formally unaffiliated PAC.

DR's supplement does not address the crux of the concerns we raised, nor those raised in AO Draft C. The tweaks proposed do improve things somewhat, but not sufficiently.

DR's proposal, as supplemented, does not avoid creating "any direction or control" over contributions, 11 CFR 110.6(d)(2), or giving "anything of value" to a candidate, 11 CFR 100.52(a), 11 CFR 114.2(b)(1).

Nor does it address the fact that DR plainly does not qualify as a commercial service under 11 CFR 1102.6(b)(3)(i), nor as a collecting agent under 11 CFR 102.6(b)(1), nor as a PAC conduit.

Regretfully, we must urge the Commission to deny DR's request. However, the Commission's denial should leave open the possibility of doing something substantially similar to the underlying model through a PAC, as we suggested in our previous comment.

The crux of DR's idea is to use proxies to whom a contributor partially opts in to giving some direction over the most effective use of their contributions. We believe this to be permissible under different circumstances. Indeed, we intend to file an AOR that would permit this — though in a more nuanced and FECA-compliant fashion.

I request to appear at any hearing on this issue, on behalf of MYL PAC and MYL C4.

If you have any questions or comments, please do not hesitate to contact me.

Sincerely,  
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President & Treasurer  
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